

Date: December 27, 2023

To: Change in Employee Compensation Committee, Idaho Legislature

From: Jeffrey R. Anderson, Director-Idaho Lottery

Re: Testimony on behalf of agency employees

Thank you for the opportunity to provide testimony on behalf of my associates at the Idaho Lottery.

For 35 years, the Lottery has reliably provided entertaining games for Idahoans. Our reputation for security, integrity, and responsible play remains unblemished.

At start-up on July 19, 1989, the Lottery's 46 employees and our 1,200 private-sector retail partners sold \$65 million in tickets. Through technical innovation and smart contracting for services, we operate with 50 people today and concluded FY2023 at over \$425 million in ticket sales.

The Change in Employee Compensation (CEC) that you are now deliberating on is a critical component to our employees' take-home pay and their ability to keep Idaho home for themselves and their families.

While critical for everyone, it's particularly important that our Lottery Service Representatives (LSR) receive competitive wages. They are the Lottery's front-line workforce, engaging with our retailer customers every day. We have been blessed with longevity in most positions at the Lottery, including LSRs. However, current LSR wages aren't competitive with fast food or big box retailers. This includes the wages for long-serving employees. Consequently, changes to LSR starting wages create compression issues for the entire work group. The wages for all in the LSR group must remain competitive, which means attending to wage compression issues related to long-serving reps versus new hires. Population and retailer points-of-distribution growth, cross-border sales with Utah, and evolving consumer preferences ensure responsible and reliable growth in future distributions to our beneficiaries, Idaho Public Schools and Buildings.

As a unique, dedicated fund agency, all operating costs are covered by the net revenues we responsibly generate from our activities. No general fund dollars are used to pay wages or any other operating expenses.

I respectfully request your support for our people, our customers, and our beneficiaries.

Jeffrey R. Anderson

Director – Idaho Lottery

208-780-2500 (office)

208-869-1091 (mobile)

To: Change in Employee Compensation Committee, Idaho Legislature Fr:

Jeffrey R. Anderson, Director - Idaho State Liquor Division

Re: Testimony on behalf of Division employees

I am writing to you today on behalf of retail employees of the Idaho State Liquor Division.

The Legislature wisely addressed deficiencies in competitive wages for Division retail and warehouse classified staff in 2022. Many of them have made their careers in state service. We are grateful.

Of the Division's 450 personnel, 400 work in retail. They serve retail consumers as well as nearly 1,100 licensees in the hospitality industry. Nearly half of the retail workforce is hired in temporary or group positions (temps). These are not seasonal workers. They are necessary year-round.

While state wages at retail have become more competitive, inflation and the struggle for workers across the retail marketplace continues to impact on our ability to remain a relevant choice of employment for many. This is particularly true for temps. They are essential to the responsible and efficient operation of our retail business.

As you know, temps have not been included in Change in Employee Compensation (CEC) adjustments. Zero increases for temps for even a couple of years have a profound impact on the Division's ability to recruit and retain positions. The compounded inflation rate since the last increase for our temps is nearly 12% (CPI - U.S. Bureau of Labor Statistics). The situation is amplified in locations on the Washington border, resort communities, and metropolitan urban areas. As of June 30, 2023, the annual turnover rate for our retail group positions due to substandard wages and the uncertain nature of our relationship with them is a staggering 112%.

As a dedicated fund agency, all operating costs are paid for with the net revenues we responsibly generate from the normal wholesale and retail markup on the products we prudently offer to citizens and the hospitality industry. Population growth, cross-border sales, and evolving consumer preferences provide for predictable growth in future distributions to our beneficiaries.

Our revenues are an important element of support for the general fund, substance abuse and treatment, and city and county budgets across the state. Many use funds received from our revenues to pay for public safety, including first responders.

No general fund dollars are used to pay wages or any other operating expenses.

A meaningful and competitive CEC that competes with the market is essential to enabling the Division to staff our enterprise, provide oversight for a legal but controlled substance, and continue to deliver a predictable revenue stream to our beneficiaries year after year.

We are Citizen Owned for the Benefit of All.

I respectfully request your support for our people, our customers, and our beneficiaries.

Jeffrey R. Anderson

Director

Idaho State Liquor Division

MixBlendEnjoy.com | Liquor.Idaho.gov

1349 E Beechcraft Ct, Boise, ID 83716

208-947-9402 (office)

208-869-1091 (mobile)

Subject: Ensuring Fair Compensation for Idaho State Employees

Dear Members of the Idaho Change in Employee Compensation (CEC) Committee,

I am writing to bring attention to a matter of utmost importance that directly impacts the dedicated workforce of the State of Idaho. As the Director of the Department of Administration (Admin) serving the public interest in Idaho, I have witnessed firsthand the unwavering commitment of my colleagues to the well-being of our great state. However, I am compelled to address a pressing concern regarding fair compensation for state employees who are experiencing dramatic cost of living increases that are outpacing their compensation.

Idaho is a unique state with its own set of economic dynamics, and it is crucial that we acknowledge the distinct challenges faced by our workforce. A comprehensive analysis of the cost of living in Idaho reveals that it has been steadily increasing in recent years. According to data from the Idaho Center for Fiscal Policy, housing costs are rising more in Idaho than in any other state, which includes a 31% increase in rent. Childcare is simply unaffordable and unavailable for many families, taking an estimated 22% of a two-adult, two-child family's income when the advisable rate is only 7% of a family's income. Finally, other necessities have increased dramatically in the last year, such as gasoline (+18%) and food (+10%). To attract and retain top talent within the state government, it is imperative that we align state employee compensation with the economic realities of living in Idaho.

To afford a decent standard of living in Idaho, it is estimated that a single individual without a family should earn a salary of \$58,634, or \$28.19 per hour, according to an analysis by the personal finance website GoBankingRates.com.

Currently, Admin's average per-hour rate for all employees, including those with families, is \$27.92. Additionally, 59% of the department's employees are making less than the recommended rate for single individuals. It is essential to consider these factors when evaluating the compensation structure for state employees.

Moreover, a fair and competitive compensation package is not only a matter of justice for our hardworking employees but also a strategic investment in the efficiency and effectiveness of state services. A well-compensated workforce is more likely to remain motivated, dedicated, and focused on delivering high-quality services to the citizens of Idaho.

In conclusion, I urge the Idaho CEC Committee to carefully consider the data on the cost of living in Idaho and its impact on the financial well-being of state employees. By ensuring fair compensation, we not only honor the dedication of our workforce but also contribute to the continued prosperity of our state. With that said, I understand there are budgetary restrictions that will impact the CEC decision, and I fully support the Governor's and the Division of Human Resources recommendations for employee compensation adjustments.

Thank you for allowing this testimony and your attention to this

critical matter. Sincerely,

Steve Bailey

Steve Bailey

Director

Idaho Department of Administration



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Web: www.adm.idaho.gov

December 27, 2023

CEC Committee C/O:
Christine Otto
P.O. Box 83720
Boise, ID 83720-0054

RE: FY2025 State's personnel system and employee compensation Dear

Committee Members:

As the Director of the Department of Health and Welfare, I have been fortunate to provide testimony related to change in employee compensation several times over my career and as many of you know, this is my last opportunity. I want to thank you once again for your invitation to provide testimony on behalf of approximately 2900 amazing employees at Health and Welfare.

I have often spoken to you about the challenging, high-workload, and stressful jobs performed by state employees and how impressed I am that our employees show up, day after day, because they are truly dedicated to strengthening the health, safety, and independence of Idahoans. Their expertise and knowledge are critical to the success of Idahoans. They have impressed and inspired me every day with how they blend that expertise and knowledge with compassion, creativity, and practicality to find solutions for Idahoans.

This year has seen some improvement in our overall turnover, thanks in part to the various compensation, recruitment, and retention strategies we have utilized year after year. While I celebrate the success in lowering our turnover this past year, DHW continues to face challenges attracting and retaining qualified candidates in this difficult employment market. We cannot lose momentum towards being able to adequately fill our positions, including ones that service some of Idaho's most vulnerable populations.

The department's turnover rate decreased from FY2022 (18.7 percent) to 16.1 percent in FY2023. While improved, this is still too high. This fiscal year we still saw 454 employees voluntary separate, including an increase in turnover in two critical job classifications in our healthcare classifications:

- Nurse, Registered with a 29 percent turnover rate, up 3 percent from FY2022
- Clinician with a 29 percent turnover rate, up 7 percent from FY2022

The clinician classification turnover is particularly alarming as the department has focused compensation strategies on this classification this past year to retain employees.

Each year, the department identifies classifications where unusually high turnover occurs, where recruitment and/or retention can be especially difficult, or where noticeable spikes in separations have occurred. In FY2023, the High Turnover job classifications were Child Welfare Social Worker 2; Clinician; Custodian; Customer Service Representative 2; Nurse, Licensed Practical; Nurse Registered; Psychiatric Technician; and Self-Reliance Specialist.

As you can see, many of these positions are in the healthcare field and four of these job classifications require degrees and/or licensure, making these jobs even more difficult to fill. Self-Reliance Specialists had the highest turnover; this one classification comprised 18 percent of the total turnover for FY2023.

The private sector continues to be where the largest number of employees seek new employment after leaving DHW. Of the 69 employees who accepted jobs in the private sector, 38 (55 percent) left us for hospital, healthcare, or insurance employers.

According to exit interviews, 50 percent of separating employees in FY2023 left for other employment, and 55 percent of those indicated they would receive a pay increase at their new job. The average pay increase was 38.9 percent, higher than the average 26.5 percent pay increase in FY2022.

Our exit interview statistics showed in CY2023, pay was one of the top three reasons (excluding retirements) employees choose to leave the department. This is the first time since FY2019 that pay has ranked among the top 3 reasons to leave DHW, which reinforces the importance of your CEC work. When conducting exit interviews, HR identifies the “root” or primary reason for each employee’s decision to leave DHW. For example, an employee might initially indicate that the decision to leave was due to a better job; in such a situation, HR would inquire to determine what makes the new job “better” and therein identify the de- motivator at DHW which largely contributed to the employee’s decision to leave.

In addition to identifying the primary reason for the employee’s decision to exit the Department, HR also identified one or more additional factors which contributed to an employee’s decision to leave. These factors played into the employee’s decision to leave but were not the primary reason for the employee’s decision to resign. Pay was the second highest contributor to employees leaving the department.

Some comments from employees leaving due to pay include:

“I will be receiving roughly a 42% increase...New rate of pay is \$45.00/hr. If I were to stay in my current job until I retire at age 65, it is a high probability that I would still not be making \$45/hr.”

“Large increase in pay with another company, less of a work load, and working fully remotely.”

“I had a new job opportunity come up that offered better pay, better benefits and a hybrid work schedule.”

“I can not make all of my monthly bills on the income here.”

These comments are just a few of the comments regarding separation with pay as a contributing, if not primary, reason for leaving. This year’s CEC recommendation includes funding a 4.5 percent merit-based increase for permanent employees and an additional 5.5 percent market-based increase for positions assigned to the Nursing/Healthcare salary structures. These increases are instrumental in continuing the efforts to move our compensation to a more competitive stance so that we can attract and retain positions that are critical to the programs the department oversees and tremendously benefit Idahoans. I would ask that you support this recommendation.

I want to thank you again for your continuing efforts and support. Because of the Joint Finance and Appropriations Committee, over 99 percent of DHW employees received at least \$1.20/hour increase, if not more, this past summer in accordance with the state fiscal year 2023 CEC. I thank you in advance for considering pay increases for state employees for state fiscal year 2024. Your support will greatly help agencies attract new talent and retain our valuable employees in the coming year.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Jeppesen".

Dave Jeppesen Director

[Dave Jeppesen](#)

[Director](#)

[Idaho Department of Health & Welfare](#)

[208-334-5500](#)

December 27, 2023

Idaho State Legislature
ceccommittee@iso.idaho.gov State Capitol

Via Email:

Boise, ID 83720

RE: Idaho Department of Parks and Recreation Director Testimony

Dear Chairman Cook, Chairman Bundy and Committee Members:

Thank you all for taking the time to serve on the Change in Employee Compensation CEC Committee. The employees of the Idaho Department of Parks and Recreation (IDPR) and I recognize the extra time and effort it takes to serve on this committee.

IDPR operates 30 parks and manages recreational programs for trails, boating, over snow and off-highway vehicles across the state. Our employees have seen meaningful CEC increases in the last two years, and for that we are all very grateful. IDPR employees pride themselves on a strong commitment to service, which is essential to helping the public make lifetime memories visiting Idaho's beautiful state parks and enjoying our abundant year-round outdoor recreation opportunities.

The Idaho Department of Parks and Recreation (IDPR) enthusiastically supports DHR's FY25 recommended 4.5% merit-based increase for permanent positions, the 3.7% increase of the salary structure, and maintenance of the current retirement and benefit package. The backbone of IDPR is provided by permanent staff, who are critical to adequately operate and maintain our campgrounds, marinas, other facilities, and recreation programs statewide. The department's staffing structure includes 183.8 full-time positions, well over 300 seasonal employees, and approximately 580 volunteers. IDPR utilizes seasonal employees year-round to operate the parks and recreational programs which necessitates an off-season payroll of over 300 employees.

Like most other state agencies, IDPR continues to experience increased difficulty recruiting and retaining staff due mostly to low salaries and statewide lack of housing in a range afforded by our salaries. The vast majority of IDPR employees are college graduates with many having degrees in the Science, Technology, Engineering and Math (STEM) fields who make \$21 an hour as an average starting wage. This can be difficult to live on, especially in rural areas or near resorts, where parks are generally located and where rents are expensive and long-term rentals almost non-existent.

Another aspect of our difficulty recruiting and retaining staff involves the department's average seasonal employee pay, which was \$12-to-\$14 an hour, well below the \$15-\$17 paid by the private sector for entry level jobs all areas of the state. Many parks and our seasonal trail ranger programs were unable to fill positions at that rate, so where budgets would allow, managers were allowed to hire at \$14 an hour to keep programs and parks running. Even with that, IDPR is well behind seasonal businesses we compete with. Here are a few examples:

- \$16/hour at Cascade & Ponderosa State Parks raised seasonal pay to fill needed positions
- \$15-\$16 at Hells Gate and Farragut State Parks to meet wages in nearby Washington.
- Competing with starting salaries of U.S. Forest Service, Bureau of Land Management, and

the National Park Service is difficult as their pay exceeds IDPR's in every comparable position.

In the last couple of years, our job offers have been rejected due to low salaries. This results in a higher vacancy rate because jobs must be reposted. In nearly every exit interview, low compensation is mentioned as part of the reason to leave. These examples illustrate IDPR's larger challenge: recruiting and retaining employees when our pay is less competitive. Only when we are close to the market rate can we stand a chance of getting the best candidates to want to work for us.

At the August Board meeting, the IDPR Board reviewed the lagging pay issue, and urged the State of Idaho to consider special consideration for IDPR's need to catch up to the compensation offered by other state agencies and the private sector. The Board desired to provide an IDPR-wide merit increase using agency dedicated funds in addition to the statewide CEC. In discussing that step the Board supports the larger statewide 4.5% CEC for all agencies as the way to meet IDPR's employees' needs.

Visitation remains robust with just under 7 million visitors in calendar 2023 which is the department's fourth-highest visitation year in its history. Outdoor recreation remains a major contributor to Idaho's economy. IDPR needs to stay competitive to retain our most skilled and experienced people. Fifteen years ago, we had one employee for every 26,198 guests. Today, we have one employee for every 39,109 guests. In contrast, the National Park Service has one employee for every 15,000 visitors and reports that it is critically understaffed.

In contrast to the pay and staffing needs, IDPR has embarked on the most comprehensive parks capital improvement program in state history: working to eliminate a more than \$130 million maintenance backlog while adding at least 450 new campsites, 25 new day use areas, and 150 new or improved boat slips across the state without adding any new positions to our Capital Development team. The generous funding from Governor Little and the Legislature has addressed the longstanding needs for expanded facilities and maintenance but does not address our work force salary deficit.

Our people work harder than ever before, and the numbers prove it. The good news is our employees love their jobs – helping the public enjoy the fun and adventure of the outdoors. This comes through strongly in our employee satisfaction surveys as one of the primary reasons employees choose careers at IDPR, but the warm feelings can only work so long in the face of economic and work force housing challenges. The recent years CECs have shown our staff that their work is valued.

Thank you for taking the time to consider IDPR's perspective on the FY25 CEC and please reach out if I can answer any questions. My direct phone number is 208-861-8750 and my email is susan.buxton@idpr.idaho.gov.

Sincerely,



Susan E. Buxton
Director

5657 Warm Springs Avenue | Boise, ID 83716
Office (208) 514-2250

Mobile (208) 861-8750

December 27, 2023

Chairmen of the Joint Change in Employee Compensation Committee

RE: Testimony on Change in Employee Compensation

Dear Chairmen,

Thank you for the opportunity to submit written testimony regarding the importance of salary increases for state employees this year. I appreciate your time and consideration of compensation increases, and I respectfully request that you seriously consider the Governor's recommendation on this matter.

The Division of Occupational and Professional Licensing (DOPL) has outstanding employees.

They are outstanding because they work hard every day to perform their duties well. They strive to provide exceptional customer service in a very fast-paced society we have come to enjoy and expect. Among the services provided by DOPL employees are licensing, inspections, investigations, and many other administrative functions. These individuals are important in keeping Idahoans safe and protecting consumers. They are important in helping qualified individuals obtain jobs, as well as helping companies hire the individuals they need to provide quality goods and services to Idahoans. They are important in helping companies perform quality work for consumers without holding up the process.

Employees would like to thank you for the health insurance they receive. I hear compliments from employees all the time regarding how much they appreciate it. They are very aware that it is part of their compensation package. However, DOPL continues to lose employees to the private sector strictly because they can earn more money elsewhere. Inflation has hit their families hard and they must make decisions that will help them better provide for their families.

I see these employees working hard every day and I would like to keep them. I know their value and I appreciate them for all they do. I believe they deserve to be recognized for their performance by an increase in compensation this year, and it will help us in our retention efforts.

Sincerely,

Russell S. Barron, Administrator

Division of Occupational and Professional License

Sixty-seventh Idaho Legislature
JOINT CHANGE IN EMPLOYEE COMPENSATION COMMITTEE

CHANGE IN EMPLOYEE COMPENSATION
Written Testimony

December 27, 2023

The Idaho Industrial Commission's principal responsibility is to administer the Workers' Compensation laws of the State of Idaho. Additionally, the Commission administers the Crime Victims Compensation Program and the Peace and Detention Officer Temporary Disability Act. The Commission has 130 full-time employees. With its main office located at the Chinden Campus in Boise, the Commission also has 10 field offices throughout the state (Boise-Rehab Services, Burley, Caldwell, Coeur d'Alene, Idaho Falls, Lewiston, Payette, Pocatello, Ponderay, and Twin Falls).

The Commission continues to struggle with turnover, losing good employees to higher paying jobs in the private public sector. We saw little change in our turnover rate from FY2022 (20%) to FY2023 (19%). Of those people leaving the Commission in fiscal year 2023, 80% reported leaving for higher pay, or jobs that offered more flexibility, such as full-time remote work. Currently, the Commission is actively recruiting for 11 positions across the state, which is approximately 8-9% of our workforce. For the past several years the Commission has operated understaffed, especially in our administrative positions. It appears that this has now become the norm rather than situational and we have been unsuccessful in correcting this utilizing non-monetary incentives. Being short-staffed has diminished our ability to meet our mission, to serve the public, and puts an additional burden upon our staff to do more. Although we have found ways to compensate them for their exemplary work, the added effort and stress that goes with it takes a toll. We are concerned that the continual reliance on our top performers to do more will lead to burnout and ultimately cause them to seek less stressful jobs at the same or better pay, elsewhere.

The Commission also continues to struggle with recruiting qualified applicants for vacant positions, especially those with lower pay, such as Administrative Assistant I, Technical Records Specialists, and Legal Associates. These recruiting difficulties are amplified for our regional offices located in rural communities of the state. We have had multiple instances where we listed open positions for a 2-week recruiting cycle, with little to no applications received at closing or where the applicants were grossly unqualified for the position. In these cases, we had to relist the position 2 to 3 times, taking up to 6 to 8 weeks to fill a vacant position. In the lower paying positions, when we were successful in getting a sufficient applicant pool to hire from, 16% of the new hires could not demonstrate the necessary skills to successfully complete their probationary period, resulting in restarting the recruiting process all over again.

The Division of Human Resources recently released the Change in Employee Compensation and Benefits Report, which states that average state employee pay is 27% below other public sector employers and 22.7% below private sector employers. This disparity in pay makes it difficult for us to compete with other employers in both attracting and retaining employees. As a result of lagging pay, many of our employees have taken on second jobs to provide for their families and combat rising inflation and the cost of living. Continuing to ask our top performers to do more at a pay level that is behind the market or having to take on a second job is unsustainable, and will result in continued turnover, leading to losses in technical knowledge and productivity, and increased recruiting and training costs.

To ensure cost effective and efficient state government, and to retain trained staff and their institutional knowledge to better serve the public, we need your help. We respectfully ask that you take action to reduce the salary gap between other public and private sector employers and state employment. We understand that eliminating the gap all together is a significant financial commitment. We ask that a reasonable commitment be made to lessen the gap as an investment in state employment and a means to deliver quality and timely services to Idaho taxpayers.

Respectfully,

A handwritten signature in blue ink, appearing to read "George Gutierrez", with a long horizontal flourish extending to the right.

George
Gutierrez
Director

CEC Committee Members;

Thank you for inviting written testimony related to state employee compensation. We at the Idaho State Police appreciate the difficult task you undertake. We support the Governor's recommendation for CEC for FY 25 and are thankful for his understanding of the difficult circumstances our employees are in as they strive to continue to provide the very best customer service possible in their lifesaving and lifechanging work. Over the past several years, Governor Little and our legislature have worked diligently to provide some of the highest CEC rates in recent memory. Unfortunately, due to the historic rates of inflation, coupled with the increased costs of living within Idaho, even with these increases, our employees are in a very difficult position. The ability to remain competitive when it comes to wages and compensation cannot be overstated, especially in the landscape of today's competitive market to recruit, train, and retain the best employees possible. The hallmark of the positive tradition of public service of ISP is found fully in our incredible employees and their willingness to take on very difficult jobs under extremely trying circumstances. The amount of time and money spent in bringing some of our employees onto the work force is considerable. The process of hiring and training a new Trooper or Forensic Scientist for example is lengthy and very expensive for the Idaho taxpayer. When we turn around and lose these employees to better paying public or private sector employers it is inefficient and not in the best interest of Idaho. The hiring process, extensive background, and training period can mean up to a year before a qualified person takes their place. It is simply better if we can retain quality employees. I understand the tremendously difficult task you have and am very appreciative of your careful consideration of how compensation impacts our state workforce and the services we provide. I am proud to have served alongside some of the best more dedicated employees that can be found, and we will only be able to continue to provide this level of excellent public service if we are able to provide competitive compensation to the employees who choose to spend a career in the service of others. If I can provide any further information or assistance, please don't hesitate to call on me.

Respectfully;

Colonel Kedrick R. Wills, M.T.D.

Director, Idaho State Police

December 29, 2023

CEC Co-Chairs and Committee
C/O: Christine Otto
P.O. Box 83720
Boise, ID 83720

Re: FY2025 CEC Recommendation

Dear Co-Chairs and Committee Members:

Thank you for the opportunity to share my thoughts regarding your recommendations for CEC. I write as the Director of the Idaho Department of Insurance, although you are aware I will be also serving as interim Director of the Department of Health and Welfare. You have already received a CEC letter from current DHW Director Dave Jeppesen, and I support his comments.

First, let me express appreciation to this committee for the FY24 CEC. All efforts to retain and attract employees are helpful. Let me also express appreciation to the Governor for his efforts to retain and attract while being fiscally responsible. I am also grateful for the teamwork of DFM and DHR helping the agencies be successful.

Second, as I harken back to my days as co-chair of this committee and the days co-chairing JFAC – attempting to fit all the needs and demands within a budget – I know how challenging and difficult that is and you have my utmost respect.

As Director, I know the constant struggle of turnover, attracting and retaining good employees. I have tried my best to build the right culture and work environment so that employees thrive and are successful in their work. We work hard to find good employees; we train them and help them be excellent. And then we lose them to the private sector.

Idaho's insurance regulation is critical to the economic well-being of the state. Every economic venture is tied to being able to access affordable coverage. Having access to coverage is tied to the DOI's regulatory environment and the DOI's accreditation. Without that accreditation, carriers would have to leave the state. At our last accreditation review the examiners called the DOI "an exporter of talent!" My heart is heavy with the number of great employees we have lost to the private sector or to other states who can pay more. Sometimes they even stay living in Idaho and work remotely.

The financial and emotional toll is so difficult. The most fiscally responsible approach in the long term is to be able to keep those highly trained, difficult to replace positions. We also lose wonderful employees to other agencies and other opportunities. At a recent Directors meeting I was thanked separately by

three other directors for the former DOI employees they were able to attract. My mouth said, “you are welcome” and “she is great;” but my heart groaned.

Thanks for listening, thanks for your dedication and your help. I know you will do your best. I support the Governors recommendation and ask that you do so as well.

Sincerely,

Dean L. Cameron
Director Idaho Department of Insurance

December 27, 2023

Co-Chairs of the Idaho Change in Employee Compensation Committee

Idaho Statehouse

700 West Jefferson Street

Boise, ID 83702

Dear Senator Cook, Representative Bundy, and Committee Members:

Thank you for the opportunity to testify about the state's personnel system and employee compensation. I thank you for your public service to Idahoans and for the integrity with which you govern our great state. I am most grateful for your work on the vitally important Change in Employee Compensation (CEC) Committee and your thoughtfulness regarding our state's most valuable resource: its employees. I recognize and appreciate the investment in external studies that help guide your decision making and your commitment to build and retain the state's human capital.

We very much appreciate the top-notch training opportunities championed and provided by the Division of Human Resources (DHR). Our entire team has enhanced its skills through *Respectful Workplace* and *Crucial Conversations* and *Accountability* training. We have had two employees graduate from the *Certified Public Manager* program this past year and currently have two enrolled. These opportunities for learning have been transformational in contributing to an inspiring work culture. We also appreciate the FY 24 CEC support.

The Idaho State Historical Society (ISHS) is an extraordinary system of cultural and historic resources comprised of the Idaho State Museum, State Archives and Records Center, State Historic Preservation Office, and Historic Sites Program. The legislature established ISHS as a state Agency in 1907. Our mission is to preserve and promote Idaho history. We employ 58 full-time employees, over 20 part-time group positions, and over 150 unpaid volunteers.

The ISHS contributes value to Idaho by stewarding irreplaceable state-owned collections, providing information and understanding about Idaho history,

stipulating local voice to federal decision making through implementing the National Historic

Preservation Act (NHPA), supporting Idaho's educational and curriculum needs through informal and applied learning opportunities, providing Records Management Services to 43 state agencies, and serving as the official repository for permanent State records.

In 2007, our compa-ratio was 72%. Idaho Code §67-5309A, (2) (d) states that all employees below the state's market average in a salary range who are meeting expectations in the performance of their jobs shall move through the pay range toward the market average. In that spirit, we have worked diligently with DFM and DHR toward this goal. Our 2023 compa-ratio is 96%. While we have made measured progress, we still find ourselves outpaced by market competition for ISHS positions, many of which are highly specialized. This challenge is reflected clearly in Idaho's Primary Salary Structure midpoints relative to market analysis as illustrated on page 20 of the FY 2025 CEC and Benefits Report.

We expect our employees to be excellent professionals: creative, entrepreneurial, problem solvers, data driven, and business savvy. We require them to work with grace, discipline, and patience in serving the public. Further, we expect them to engage with a wide range of stakeholders and raise funds and resources to support their public service programs. All these attributes are derived from skills gained through formal credentials, continued self-improvement, and the ability to adapt, continually, to new practices in an ever-changing world. To sustain a highly specialized and customer-focused workforce, we need the state's continued support of competitive salaries.

Thus, I respectfully request your consideration and approval of the FY 25 recommendation regarding employee compensation:

- **Salary Adjustments:** Fund a 4.5% merit-based increase for all permanent positions (recognizing and rewarding state employees for their public service to the citizens of Idaho).
- **Salary Structure Adjustments:** Adjust the primary salary structure midpoints upward by an average of 3.7% (actual increase varies by pay grade).
- **Benefit Package:** Maintain the State's current retirement and benefits package.

Thank you for your consideration and your support of Idaho's workforce.



Janet L. Gallimore

Executive Director and State Historic Preservation Officer

CEC Committee,

Thank you for your service on this important committee and for your work on the challenging question of employee compensation. At ITD we acknowledge that challenges in hiring and retaining employees is not limited to our department or to the state of Idaho.

We also express appreciation for past actions of the legislature that have helped us to provide services critical to the quality of life and safety of Idaho citizens, families, and businesses.

The CEC report contains valuable data that gives insight into the dynamics of hiring and retention of the people that work in our state our agencies. For ITD, the last 2 years have been considerably more challenging with the combined effects of total agency turnover. The total turnover at ITD has exceeded 17 percent each year for the last two years. This equates to a total turnover of over 550 employees in the last two years which is very unusual for our agency.

Even with this unusual workforce challenge, our leaders and our team members remain highly committed and loyal to the work they do every day in all communities of Idaho. We are fortunate to provide service that brings benefit to all the citizens of this great state.

We add our support to the recommendations of Governor Little for CEC. And we again thank you for your consideration of the needs of loyal state employees.

Scott Stokes

Director: ITD

To: Chairmen Cook and Bundy, and other esteemed members of the Joint Change in Employee Compensation (CEC) Committee

From: President Scott Green

Date: January 3, 2024

Subject: Testimony about CEC impact

Thank you for the opportunity to provide written testimony to your committee. We appreciate your service and dedication to the State of Idaho.

Insufficient funding for Change in Employee Compensation (CEC) significantly impacts the financial health of higher education in Idaho. At the University of Idaho (U of I), CEC funding comes from a multitude of sources, including state general fund, tuition, non-appropriated funds and the reallocation of existing resources. Less than a third of CEC is funded by state appropriations. Below is a summary of the funding sources used at the U of I for the most recent CEC cycle - amounts include both salaries and benefits:

	General Education	Other Funds	Total	% of Total
State General Fund	\$2,577,400		\$2,577,400	30.3%
Tuition	1,161,829		1,161,829	13.7%
Unit*	795,670	2,307,990	3,103,660	36.5%
Non-Appropriated		1,658,454	1,658,454	19.5%
	\$4,534,898	\$3,966,444	\$8,501,342	100.0%

* Unit funding: reallocation of existing resources or increased revenue (in non-appropriated funds)

Historically the legislature appropriated CEC for tuition lines after tuition was introduced. This practice was eliminated by the legislature in 2010 through budget cuts in response to the great recession. Since then, in only one year, was CEC appropriated for tuition lines. The University uses tuition and other fund types when the CEC fund shift has not been funded, leading to tuition increases.

A fund shift is the budget for CEC adjustments for state employee positions. Without a fund shift, state appropriations do not fund full raises for employees. In 2023, the university spent \$1,161,829 to make up for the unfunded CEC fund shift.

We are honored to be Idaho's land-grant university and to be recognized by U.S. New and World Report as the Best Value of any Public University in the West We're responsible stewards of our funding, and we've made wise investments in our future. A 2023 *Waif Street Journal* article last year documented rampant expenditures at land grant universities across the country. The lone exception - your University of Idaho. Quoting the article:

"At the median flagship university, spending rose 38% between 2002 and 2022. Only one school in the Journal's analysis - the University of Idaho - spent less."

We are not a university that spends money frivolously. We carefully steward our resources, but without the fund shift, we struggle to create affordable pathways for Idaho citizens to elevate themselves and our state through education. I urge the CEC committee to consider fully funding the fund shift to ensure that we and all Idaho institutions have the resources needed to serve Idaho students and our state.